(1945) Department.

MS SERIES.

G.O. No. 1699

Dated 22-6-45

[Despatch Abstract.]

24 - Mangalore Electric Licence - Accounts
1943-4 - Recorded with remarks

ALORE ELECTRIC SUPPLY CO., LTD.

ts:
CO., LTD.

Telephone No. 146.
(3 Lines)

Address:
"CALCUTTA"

Post Box No. 55.

An.A/C.65/5

Calcutta, 8th Sept. 1944

Regd Enclo.

The Secretary to the Government
of Madras,
Public Works & Labour Department,
Madras.

Sir,

We have the honour to enclose the Statutory Statement of Accounts in triplicate of this Company for the year ended 31-3-44 in accordance with Section 11 of the Indian Electricity Act 1910 together with original letters from Messrs Lovelock & Lewes, Chartered Accountants relating to these accounts.

Three copies of the Annual Report and Accounts and Form IX are also enclosed. You will note that in accordance with Government of IndiaNotification No. 1564-O/R dated 7.9.42 the report & Accounts have not been issued to Shareholders.

We have the honour to be
Sir,
Your most obedient servant,
OCTAVIUS STEEL & CO.LTD.

SECRETARY ... 1944 PUBLIC ... 5401

DIRECTOR.
MANAGING AGENTS

P.W.D.

2.20282/44-1
21.9.44.

RSK. 18.9.44

G.E.I.G. No (with 3 copies of the report please)
for remarks.

18.9.44

COMPANY STAMP & CO.,LTD.

Your most obedient servant
pro.

We have the honour to ce
the report & accounts have not been issued to
their satisfaction I.O. 1.06-C\x d-ted 7.4.45
note that in accordance with Jovernt t cr
accounts and form IX are also enclosed. You will
please acknowledge receipt of the annual re. ort in
accordance with the above mentioned letters from Messrs. Chatterjee & Mehra, Chartered
Electricity "ct 1910 together with duplicate
copies with section 17 of the Indian
Electricity Statement of Accounts in Twelfth
Form for the Year ended 31-3-45.

Yours faithfully,
for Director of Electricity,
Punjab, Lahore & Mysore Department,
the Secretary to the Government
of India,
Supply,
New Delhi.

A/ Mr. [illegible]

LOVELOCK & LEWES.
CHARTERED ACCOUNTANTS.

REGISTERED ACCOUNTANTS
UNDER
THE INDIAN COMPANIES ACTS.

TELEGRAPHIC ADDRESS:- "VELOX" CALCUTTA.
TELEPHONE No 750 (2 LINES).
BENTLEY'S CODE.

4, Lyons Range,
Calcutta

6th September 1944

The Secretary to the Government of Madras,
Public Works & Labour Department,
M A D R A S.

Dear Sir,

We have examined the Statement of Share Capital Appropriation and Forms numbered II, III, IV, V, VI, VII and VIII, which relate to the accounts of the Mangalore Electric Supply Co. Ltd., with the books and vouchers for the year ended 31st March 1944.

SERVICE CONNECTIONS.

The expenditure chargeable to consumers on this account has been debited to the Revenue Account in accordance with the instructions contained in Circular G.O. No. 2732W dated 13th December 1934. In the Accounts published to the Shareholders this expenditure has been capitalised. Depreciation written off expenditure on Service Connections is calculated on the capitalised expenditure shown in the Accounts published to the Shareholders

For your information we enclose a copy of the [redacted] Accounts of the Mangalore Electric Supply Co. Ltd. for the year ended 31st March 1944.

Subject to the above remarks, we find that the Accounts have been properly maintained in the Forms referred to in Rule 36(3) of the Indian Electricity Rules of 1937, and we are satisfied that only those items which properly belong to the Capital Account have been debited thereto, and nothing has been charged to the Revenue Account which may be properly debited to Capital Account.

Yours faithfully,

Lovelock & Lewes

Enclos:-
M.

Form of Accounts prescribed under the

[SEE SECTION II OF TH

The MANGALORE ELECTRIC
For the year

No. I.—Statement of Share Capital appropriated for the purposes of the u

Description of Capital.	Authorised by	No. of shares subscribed.	Nominal amount of share.	Calle
30,000 Shares of ₹ 10/- each	Memorandum of Association	56,000	₹ 10/-	

No. II.—Statement of Loan Capital appropriated for the purposes of the

Description of Loan.	Amounts Borrowed.					
	At	per cent.	At	per cent.	At	per c
First Mortgage Debentures						

In terms of our letter of even date.

Chartered Accountants.
Registered Accountants.

Calcutta,
6th September 1944.

dian Electricity Act, 1910. for Companies.

ACT AND RULE 36 (3).]

ngalore

ELECTRIC LICENCE.

UPPLY

Company, Limited.

ling 31st MARCH 1944

ertaking authorised by the above mentioned licence at the end of the year.

per share.	Total paid-up.	Subscribed not paid-up.	Remaining unallotted.	Total amount authorise
/-	Rs 5,60,000	Nil	44,000	Rs 10,00,000

aking authorised by the above mentioned licence at the end of the year.

Total.	Remaining borrowing powers.	Total amount of borrowing powers.	
Rs 2,75,000/-		Rs 2,75,000/- (Authorised by G.O.No.Mis.2825 V D/ 28.12.34.)	

For and on behalf of
MANGALORE ELECTRIC SUPPLY CO., LD.
OCTAVIUS STEEL & CO LTD

Director.
Managing Agents.

For the year end

	Expenditure up to end of previous year.	Expended during the year.	Total expenditure to 31st. Mar ch'
1. To preliminary expenses (to be specified):—			
2. To lands including law charges incidental to acquisition	11289. 6 6.	-	11289. 6.
3. To buildings	153924.10. 0.	-	153924.10.
4. To plant	239155.12.8.	-	239155.12.
5. To mains	277506. 5.0.	Cr.1793. 4-11.	275713. 0.
6. To service connections	25515. 8.4.	168.-7-3.	25683.15.
7. To transformers, etc.	47712. 6.8.	-	47712. 6.
8. To meters, and fees for certifying under the Act	40871. 9.4.	321.10. 6.	41193. 3.1
9. To general stores	8640.11.3.	-	8640.11.
0. To special items (to be specified):—			
Public lamps	18503. 3.8.	-	18503. 3.
Loose and fixed tools	12800. 6.9.	-	12800. 6.
Furniture and fittings	2930. 6.0.	-	2930. 6.
Motor car and cycles	8804. 8.0.	-	8804. 8.
Motor and Auxiliary Gear on hire ...	2002.14.0.	-	2002.14.
Mains, Street Lighting Extensions	21997. 9.10.	-	21997. 9.1

terms of our letter of even date.

Chartered Accounta...
Registered Accou...

Calcutta,
September 19th

Total expenditure ...	871655. 6. 0	Cr.1303. 3. 2.	870352. 2.1
To balance of Capital Account			

TAL ACCOUNT.

31st March 1944

	Receipts up to end of previous year.	Received during the year.	Total receipts to 31st.March
By ordinary shares of Rs 10/-each fully paid in cash ...	560000		560000/-
Ditto			
By preference shares of			
By debenture stock			
By ~~1st~~ mortgages and bonds Debentures ...	275000		275000/-
By amounts received in anticipation of calls ...			
By other receipts (to be specifiied)			
Forfeited shares	75		75/-
			835075. 0. 0
By Balance ...			35277. 2.10.
			870352. 2.10.

For and on behalf of
THE MANGALORE ELECTRIC SUPPLY CO. LD.
OCTAVIUS STEEL & CO LTD

Director.
Managing Agents.

Dr. *For the year en*

	A.—Generation.		
1.	To fuel Oil	65845. 2. 1.	
2.	To oil, waste, water and engine-room stores	13630.15. 0.	
3.	To proportion of salaries of engineers, superintendents and officers	3359. 0. 4.	
4.	To wages	5997. 7. 8.	
5.	To repairs and maintenance as follows:—		
	Buildings	78.14. 4.	
	Plant	3182.15. 6.	
6.	Proportion of provident fund contributions	947. 8. 0.	
7.	Proportion of Resident Engineer's commission	666. 8. 0.	93708. 6.
	To special items (to be specified)		
	B—Distribution.		
1.	To proportion of salaries of engineers, superintendents and officers	3359. 0. 4.	
2.	To wages	4805. 0. 7.	
3.	To repairs, maintenance and renewals of mains	2814. 8. 3.	
4.	To repairs, maintenance and renewals of transformers, etc. ...	596. 8. 8.	
5.	To repairs, maintenance and renewals of meters, switches, cut-outs and other apparatus on consumers' premises ...	1513.14. 4.	
6.	To repairs and maintenance of station lighting	197. 4. 9.	
7.	To repairs and maintenance of house services	908.15. 9.	
8.	~~To repairs and maintenance of fans and motors~~		
9.	To repairs and maintenance of instruments and tools ...	239. 4. 2.	
10.	To proportion of provident fund contributions	473.12. 0.	
11.	To proportion of Resident Engineer's commission	666. 8. 0.	
12.	To proportion of motor car maintenance	1045. 2. 8.	16619.1[illegible]
	C.—Public Lamps.		
1.	To attendance and repairs	2886. 7.11.	
2.	To renewals, etc.	1757. 4. 8.	4643.12. 7
	D.—Rents, rates and taxes.		
1.	To rents payable		
2.	To rates and taxes		3247.12. 8
3.	To Electricity Duty Tax.		13847.14. 2
	Carried over.		132067.13.10

NUE ACCOUNT.

31st March 1944

1.	By sale of energy for lighting purposes	105418. 6. 6.	
2.	By sale of energy for power purposes	91736. 4.10.	
3.	~~By sale of energy under special contracts~~		
4.	By public lighting	15536.13. 0.	
5.	"Bazaar Lighting	16903.11. 3.	
	"Public Lamps, Maintenance charges recovered	5340. 6. 0.	
5.	By rental of meters and other apparatus on consumers' premises	10672 8. 0.	
6.	By rental of service lines	567. 8. 0.	
7.	By transfer fees	6. 0. 0.	
8.	By service connections	489.12. 0.	
9.	By miscellaneous receipts from consumers ...	1594. 5. 1.	
10.	By sundry sales and contracts		
11.	By other items (to be specified)		
	" Rental of Machinery	111.12. 3.	248377. 6.11.

Carried over. 248377. 6.11.

Brought Forward.		132067.13.1
E.—Management Expenses.		
1. To Directors' remuneration	1408. 0. 0.	
2. To Managing Agents' commission	1973.10. 0.	
3. To Managing Agents' allowance	9000. 0. 0.	
4. To share of Managing Agents' technical staff salaries ...	3198. 0. 0.	
5. To general establishment charges	8348. 8. 1.	
6. To proportion of salaries of Engineers, superintendents & officers ...	4478.11. 4.	
7. To Auditors of Company	300. 0. 0.	
8. To Auditor appointed under the provisions of the Act ...	50. 0. 0.	
9. To proportion of motor car maintenance	348. 6. 3.	29105. 3. 8
F.—Law charges.		
To Law expenses		544. 8. 0
G.—Depreciation.		
1. To depreciation in respect of leasehold works		
2. To depreciation in respect of buildings	3956. 3. 0.	
3. To depreciation on plant	14364.15. 0.	
4. To depreciation on mains	6937.10. 6.	
5. To depreciation on transformers, etc.	3578. 7. 0.	
6. To depreciation on meters	3065. 6. 0.	
7. To depreciation on general stores	648. 0. 7.	
To depreciation in respect of any other items, to be specified		
Depreciation on house services	3408.12. 0.	
Depreciation on public lamps	462. 9. 0.	
Depreciation on loose & fixed tools	370. 5. 0.	
Depreciation on furniture & fittings	226. 0. 2.	
Depreciation on motor car & cycles	200. 0. 0.	
Depreciation on spare gear	292.11. 9.	
Depreciation on Motors Auxiliary Gear on hire	150. 3. 0.	
Depreciation on Mains Street Lighting Extensions	549.15. 0.	38211. 2. 0
H.—Special charges.		
Special items (to be specified)		
Insurance	879.14. 3.	
War risk Insurance	6472. 5. 0.	
Service connections	426.13. 2.	
Inspection fees	500. 0. 0.	
Loss on Foodstuff supplied to Employees	1487. 2. 2.	11766. 2. 7.
Total expenditure		211694.14. 1.
Balance carried to net revenue		36682. 8.10.
		6.11.

Brought Forward.

248377. 6.11.

In terms of our letter of even date.

Chartered Accountants.
Registered Accountants.

Calcutta,
the September 1944

For and on behalf of
THE MANGALORE ELECTRIC SUPPLY CO., LD.
OCTAVIUS STEEL & CO. LTD

Director.
Managing Agents.

V.—NET REVI

	To Balance from Last Account :—	125136. 1. 9
1.	To interest on debentures accrued due to date	13750. 0.
2.	To interest on mortgages and bonds accrued due to date	
3.	To interest on temporary loans accrued due to date ...	
4.	To dividend on preference stock ...	
	To income tax on investment income	
5.	To income tax and super-tax paid	
	To interest on Security Deposits	119. 5.
6.	To balance applicable on Dividend on ordinary stock or shares	
	"Debenture Trustees Fees	300. 0.
	"Income Tax on Investment Income	65. 8.
	"Reserve for Income Tax and Super Tax (1944-45)	1500. 0.
		152119.12. 8

A.R.P. Expenditure ₹ 3525. 4. 4.
Less recovered from Government " 1847. 7. 0.
" 1677.13.

Dr. VI.—RESEF

1.	Amount paid out (items to be specified)	
2.	Amount of balance to next Account	

Dr. VII.—DEPRECI

	To balance	341708. . . 8

Only the depreciation provided on the Assets included in statement No.111 has been carried to the credit of this account. The value of Spare Gear has been included in the General Balance Sheet after deduction of ₹ 292/11/9 depreciation charged in Revenue Account.

In terms of our letter of even date.

Chartered Accountants
Registered Accountants

Calcutta, 7th September 1944

341708. . . 8

Cr.

1. By balance from last account			
Less Dividend paid			
By Amount carried to Reserve Fund ...			
2. By balance brought from revenue account (No. IV)		36682. 8.10.	
3. By interest on investment		246. 7. 8.	
By balance carried to General Balance Sheet		115190.12. 2.	
		152119.12. 8.	

ACCOUNT.

Cr.

1. By balance brought from last account			
2. By amount brought from net revenue account			
3. By interest on amount invested			
(Description of investments to be specified)			

TION ACCOUNT.

Cr.

1. By balance from last account			303789.10. 5.
2. By interest on investments			
3. By amount brought from revenue account (see No. IV—G.)			37918. 6. 3.
(Description of investments to be specified)			
			341708. 0. 8.

THE MANGALORE [illegible] CO. LTD.
OCTAVIUS [illegible] & CO. LTD
Managing Agents.

Director.

LIABILITIES.

1.	To capital account: amount received as per Account No. III...	835075. 0.
2.	To sundry creditors due on construction of plant and machinery, fuel, stores, etc.	2411.13.
3.	To sundry creditors for expenses	16282. 1.
4.	To net revenue account: balance at credit thereof	
5.	To reserve fund account: balance at credit thereof	
6.	To depreciation provided	341708. 0.
7.	To special items (to be specified)	
8.	To Consumers Security Deposits	32703.13.
9.	To interest on Security Deposits	1190. 5.
10.	To Temporary Deposits	1120. 0.
	"Reserve for Taxation	10000. 0.
		Rs 1240471. 2.

In terms of ... *letter of even date*

Chartered Accountants

Registered Accou

Calcutta,
September 1944

ANCE SHEET.

ASSETS.

By capital account: amount expended for works as per account No. III ...		870352. 2.10.
By stores on hand		47646.12. 2.
By spare gear		11416.12. 5.
By sundry debtors		21847.14.11.
By preliminary expenses awaiting adjustment		55585.12. 0.
By securities as held (cost price)		50981. 4. 0.
By special items (to be specified)		250. 0. 0.
By cash at Bankers		52821. 3. 5.
By cash on hand		1802. 6. 4.
By advance payments		2419. 0. 0.
By Development Expenses		3509. 1. 5.
" Expenditure on Debenture Issue		6648. 0. 8.
" Nett Revenue Account, Balance at Debit thereof		115190.12. 2.
	Rs	1240471. 2. 4.

" Interest Accrued on Investments

THE MAI ... OCTAVIUS STEEL & CO. LTD.

Director.

Managing Agents.

TOTAL

COMPANIES

No. IX—STATEMENT OF ENERGY GENERATED, SOLD, Etc.

for the year ended 31st March 1945.

		Total energy generated in Kilowatt-hours.
		1 6 8 . 9 2 6
KILOWATT-HOURS SOLD.	2 Public lamps.	9 3 4 3 6
	3 Special contract.	
	4 Consumers by meter for lighting purposes.	3 0 6 7 6 6
	5 Consumers by meter for power purposes.	7 6 6 8 1 8 .
	6 Total.	1 2 4 7 4 7 0
	7 Kilowatt-hours used on works.	6 6 3 6 7
	8 Kilowatt-hours not accounted for.	6 1 1 3 0 3
	9 Total Kilowatt-hours accounted for	1 2 1 1 6 1 7
	10 Kilowatts connected for public lamps.	6 0.7
	11 Total consumers connected.	1 9 2 4
	12 Total Kilowatts connected.	2 4 5 5
	13 Plant installed Kilowatts.	7 5 6
	14 Maximum supply demanded in Kilowatts.	6 1 6.

Electricity Department.

Office of the Chief Electrical Inspec
to Government, Chepauk, Madras.

Sub: Mangalore Electric Licence -
Accounts for 1943-44 - Remarks.
Ref: Govt. U.O. No.2028-I/44-1 dated 21-9-44.

3032

The accounts of the Mangalore Electrical Undertaking for 1943-44 have been scrutinised and the following remarks are submitted.

2. The accounts under review relate to th 11th year of operation.

3. The important features of working are as extracted below:--

Name of item.	1942-43.	1943-44.
Total Capital expenditure to the end of	8,71,655	8,70,352
Total operation and maintenance expenditure	2,03,525	2,11,268
Total expenditure against revenue	2,19,460	2,28,252
4. Total revenue from electric supply	2,11,331	2,29,595
5. Total revenue from working	2,29,420	2,46,197
6. Gross Profit	24,738	36,683
7. Net Profit for the year	9,960	19,945
8. Net Profit from General Balance Sheet	-1,15,136	-1,15,191
9. Cost per unit generated	0.83 as.	0.98 as.
10. Working cost per unit generated	2.25 "	2.40 "
11. do. sold	2.71 "	2.93 "
12. Total units generated	15,60,050	15,22,920
13. do. sold	12,93,733	12,45,250
14. Total number of consumers.	1,362	1,324
15. Maximum Demand	685 K.W.	616 K.W.
16. Dividend declared on ordinary shares.	Nil.	Nil.

4. I have ascertained from the Governme Auditor that their bill for Rs.50/- for auditing the accounts of the undertaking for 1943-44 on behalf of Government has been already submitted to the Licensee for payment. The attention of the Licensee and Government Auditors may be drawn to the instructions in para 7 of G.O. No. Ms.2925 P.W.D. dated 14th August 1942 on the account for 1940-41.

No.III - Capital account.

5. The Licensee has reported that a sum of Rs.17-2-0 representing a portion of the salary of th Resident Engineer has been Capitalised during the year review. A Capital expenditure of Rs.490-1-9 only (Service connections Rs.168-7-3, Meters 321-10-6) has b incurred during the year under review. But the Capita sation of supervision charges on "Service Connections" and "Meters" is not contemplated by para 6 of G.O. No. 1333 P.W.D., dated 4-6-41. The Licensee may therefor be advised to readjust the sum of Rs.17-2-0 referred to in the Net Revenue Accounts for 1944-45 and report to Government the fact of having done so. In this conn I would solicit the attention of Government for a rulin in a similar case in regard to British Cochin Electric Licensee's accounts for 1943-44 - vide para 2 of G.O. No. Ms. 1338 P.W.D. dated 17th May 1945.

6. There has been an excess Capital expenditure of Rs.35,277-2-10 over Capital receipts to the end of 1943-44. I have ascertained from the Licensee that sums retained in the business consequent on the annual depreciation charge in the Company's acco have been utilised in part to finance the purchase o Capital assets. The explanation may be accepted.

No.IV - Revenue Account.

7. The following items have been exhibited on the credit side of this statement.

(a) By rental of service lines	Rs.	567	8	0
(b) By rental of machinery		111	12	3

The exhibition of the transactions relating to these items in the statutory accounts due to Government under the Indian Electricity Act is not in order. The attention of the Licensee may be drawn to para 3 of G.O. Ms. P.W.D. dated 28th September 1944 on the accounts for 1942-43.

8. I have ascertained from the Licensee that depreciation has been charged in the accounts under review at the same rate as for the year 1942-43.

9. The sum of Rs.1487-2-2 representing the loss on foodstuff supplied to employees now exhibited in No.IV. Revenue Account under "H - Special Charges" should have been charged to No.V Net Revenue Account.

General Balance Sheet.

10. I have ascertained from the Licensee that except for the investments of Rs.50,981-4-0, which is not specifically ear-marked there has been no other investments made by the Company outside the business for the Depreciation Fund, the consumers' security deposits or any other account.

Action taken on G.O. No.2693 Ms. P.W.D. dated 28th September on the accounts for 1942-43.

The Licensee was requested to state the action taken by him item-wise on the above G.O. He has replied that in the G.O. referred to, he could not find any reference to the matter item-wise. The Licensee's reply is not understood. He may be asked to report what action has been taken by him on each of the paras referred to in the said G.O. and submit report to Government along with the audited accounts for 1944-45.

11. Certain additional particulars have been called for in regard to "Service connection charges" and my remark thereon, if any, will be submitted to Government separately on receipt of the necessary information from the Licensee.

12. The Government U.O. papers are returned herewit

N. Venkataraman
14/6/45

Chief Electrical Inspecto
to Government.

CNL/DSR.11-6-45.
Encl:¾- 1 copy of statement of accounts for 1943-44 and audit report and Govt. letter dated 21-9-44.

To
The Secretary to Government, (U.O.), C.E.I.G's U.O. No.5401/D/44-7 dated 11-6-45.

C.F. 16.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..	4/5/46	
When copied ..		
When examined..		
When signed ..		
When despatched.		

SUBJECT :— Electricity - Mangalore Electric Licence - Accounts for 1943-4 - Recorded with remarks.

READ AGAIN ....., dated ..... 19.....

" " ..... " ..... 19.....

READ *ALSO* :— From Messrs. Lovelock & Lawes, Chartered Accountants, dt 6-5
From ~~the Mangalore Electric Supply~~ Messrs. Octavius Steel & Co. Ltd., Ref. No. Man. A/C. 65/5
No. 2028/44 From the C. E. I. G., No. 5401 D/44-7 dated 11-6-1945 dt 8-9-4

" ..... " ..... " ..... " ..... 19.....

" ..... " ..... " ..... " ..... 19.....

Order / Resolution — Ms. / Rout. No. 1699, dated 22-6-1945

Recorded.

p 1 ; 2, No III Capital Account

para 5 F 19 CF It is observed that a sum of Rs 17-2 representing a portion of the salary of the Resident Engineer has been capitalised during the year under review. A capital expenditure of Rs 490-1-9 only (Service connections Rs 168-7-3, Meters Rs 321-10-6) has been incurred during the year under review. ~~Govt~~ The capitalisation of supervision charges on "Service Connections" and "Meters" is contemplated by para 6 of G.O. No. 1383 P.W. dt 4-6-41. The licensee is therefore requested to re-adjust the sum of Rs 17-2-0 referred to in the Net Revenue Accounts for 1944-5 and report the fact to Govt.

p 3 ; 4

3 No IV Revenue Account

(A) The following items have been exhibited on p 20 CE
the credit side of this statement:—

(a) By rental of service lines — Rs 567-8-0

(b) By rental of machinery — Rs 111-12-3

The exhibition of the transactions relating to
ese items in the statutory accounts due to
ort under the Indian Electricity Act is not in
der. The attention of the licensee is invited to
ara 3 of Go Ms 2693 P.W.D 28-9-44 on the pp 24.25 g (4)
ccounts for 1942-3

(2) The sum of Rs 1487-2-2 representing the loss B p 20 CE
foodstuff supplied to employees now exhibited
n No IV Revenue Account under "H-Special
harges" should have been changed to No V Net
evenue Account.

Action taken with reg to G.O. no. 2693 P.W.D 28-9-44 pp 23-26 g (4)
n the accounts for 1942-3.

The licensee is requested to state the A p 20 CE
ction taken by him with reg. to each of the paras in Go No.
693 P.W.D 28-9-44 in the accounts for 1942-3, pp 23-26 g (4) 1
nd to make a report to Govt, along with the
udited accounts for 1944-5.

3 It is observed that the auditors were paid Rs Para. 4 p 19 CE
/- for auditing the accounts of the undertaking
or 1943-44 on behalf of the Govt has already
en sent submitted to the licensee for payment.
attention of the licensee and Govt auditors
vited to the instructions in para 7 of Go Ms

P.T.O

P28 γ (Y) To No 2925 P.W dt 14-8-42 on the accou
for 1940-41. ~~And they are requested to Comply~~
~~with the instructions contained therein~~

Messrs Lovelock and ~~future~~.
Lewes,
Chartered Accountants. PBK
1916 45 20.6.45
Lyons Range,
Calcutta

21.6 45

Note. With reference to para 11 on p20 c/f it is
~~Bhanjanore Electric~~ suggested that the matter may be considere
~~ping Corporation~~, separately ~~as if necessary~~ at a later stage
ssrs.
Gravins Steel & Co. Ltd, on receipt of the remarks ~~of~~ the C. E. I. G.
P. B. No. 55.
Calcutta)
the C. E. I. G (Copies) A note may be made in the reminder diary against 1-9-45.

Noted in K.D
PBK
20.6.45

21.6 45

C110 5[illegible]
25/7/45

THE MANGALORE ELECTRIC SUPPLY CO., LTD.

MANAGING AGENTS:
OCTAVIUS STEEL & CO. LTD.
CALCUTTA.

TELEGRAPHIC ADDRESS:
"LAPIZANDO, CALCUTTA"
TELEPHONE No. 146 (3 Lines)

POST BOX No. 55.

CC[illegible]ED

Ref. No. A/C *Calcutta,* 25th July *1945.*

The Secretary to the Government of Madras,
Public Works Department,
Madras.

Dear Sir,

Accounts for the year 1943/44

We acknowledge receipt of your G.O. No. MS 1699 dated the 22nd June 1945 and note the points made by Government in connection with our accounts for 1943/44. These are being dealt with as follows:-

2) No. III Capital Account

The directions given here are noted and the sum of ₹ 17/2/- capitalised, will be adjusted in the accounts for 1944/45 and reported to Government accordingly.

3) No. IV Revenue A/C

On referring to para 3 of G.O. MS, P.W. ✓2693 dated 28.9.44 quoted by you, we find that the amounts of ₹ 567/8/- and ₹ 111/12/3, representing rental of service lines and machinery, should be deleted from this account. The Order, however, gives no indication as to where these amounts should be shown and we shall be pleased if you will advise us under which account the credits are to be taken.

(b) The directions regarding the sum of ₹ 1487/2/2 representing loss on foodstuffs are noted and will be dealt with in future as indicated.

G.O. No. 2693 P.W. dated 28.9.44

Dealt with separately as per our letter of date to which please refer.

The directions given here are noted.

We trust the above details answer the points raised by Government.

Yours faithfully,
OCTAVIUS STEEL & CO LTD.

DIRECTOR
MANAGING AGENTS.

Form No. 33

THE MANGALORE ELECTRIC SUPPLY CO., LTD.

MANAGING AGENTS:
OCTAVIUS STEEL & CO. LTD.
CALCUTTA.

TELEGRAPHIC ADDRESS:
"LAPIZANDO, CALCUTTA"
TELEPHONE No. 146 (3 Lines)

POST BOX NO. 55.

COPIED

Ref. No. A/C Calcutta, 25th July 194

The Secretary to the Government of Madras,
Public Works Department,
Madras.

Dear Sir,

Accounts for the year 1942/43

With reference to your G.O. No. 2693 MS dated 28th September 1944, the points raised by Government are noted and will be dealt with as follows:-

No. III Capital Account

The sum of Rs 220/13/3 will be adjusted as indicated in the accounts for 1944/45. We would ask you to note, however, that as from January 1944, the percentage of supervision charges recovered from consumers has been reduced to 12½%.

(b) All meters purchased by the Company are debited to Capital and taken into our stores. Issues are made as and when required for meter services and no new meters are purchased as long as stocks are available. Our stocks, therefore, consist of both new and old meters. To alter the present procedure would not, we believe, be satisfactory and, unless the suggestion made by you is a statutory obligation. we would prefer to continue as at present.

(3) No. IV Revenue Account

Rental of Service Lines	Rs 653/10/- and
Rental of Machinery	Rs 267/ 8/-

The deletion of these sums from the Revenue Account will be carried out as directed on receipt of information as to where the amounts are to be shown. We shall be obliged if you will advise us on this point.

(b) We confirm that the directions given in G.O. No. 2732 W of 13.12.34, in connection with "Service Connections" are being followed by the Company. The supervision charges of 15% have been reduced to 12½% from January 1944 and Government has been notified.

(4) No. V Nett Revenue Account

The sum of Rs 1143/1/6 shown under "Sundry Sales" and described

as "profit" on sales" in para 11 of our letter Man A/C 49/5 of 27.6.44, addressed to Messrs. Lovelock & Lewes for the information of the Chief Electrical Engineer, vide his letter 3074 D 43-3 of 14.2.44, is not actually a"profit" but is a refund of expenses incidental to the handling, storage etc., of motors and other plant obtained for consumers. The purchase of such plant for consumers is not undertaken with the object of making a profit on re-sale, but merely in pursuance of the Company's policy to encourage the use of electricity.

(5) General Balance Sheet

The suggestions given here are noted.

(6) The auditors fee of Rs 50/- was paid on 14.1.44.

We apologise for the delay in replying and trust the above details answer the points raised by Government.

Yours faithfully,
OCTAVIUS STEEL & CO LTD.

DIRECTOR
MANAGING AGENTS.

21/4/44

P.W.D.

TP Endt No 3926 I/us-1 dg- 845.

Referred to the C.E.I.G for remarks
c/c

845

1-845

1-8-45

T. The C.E.I.G

as "profit on sales" in para 11 of our letter dan A/C 49/-
of 27.6.44, addressed to Messrs. Lovelock & Lowes for the
information of the Chief Electrical Engineer, vide his letter
3074 D 43-3 of 14.7.44, is not actually a"profit" but is a
refund of expenses incidental to the handling, storage etc.,
of motors and other plant obtained for consumers. The
purchase of such plant for consumers is undertaken with the
object of making a profit on re-sale, but merely in pursuance
of the Company's policy to encourage the use of electricity.

(5) General balance sheet

The suggestions given here are noted.

(6) The auditors fee of Rs. 50/- was paid on 16.1.44.

We apologise for the delay in replying and trust the above details answer the points raised by Government.

Yours faithfully,
CRAVENS MILLS & CO LTD.

MANAGING AGENTS.

From

Sri K.V. Karantha, M.A.,
Chief Electrical Inspector to Government,
Chepauk, Madras.

4354

To

The Secretary to Government,
Public Works Department, Fort St.George,
M a d r a s.

No.5401-D/44-8 dated 10-8-45.

Sir,

Sub: Mangalore Electric Licence - Accounts for 1942-43 and 1943-44 - G.O.No.2693 P.W.D. dated 28-9-44 and G.O.No.Ms.1699 P.W.D. dated 22-6-4 - further remarks.

Ref: Government Endorsement No.3926-I/45-1 dated 3-8-45.

Paras 2, 3(b), 5 of G.O. dated 22-6-45 and para 5 of G.O. dated 28-9-44.

The action promised by the licensee in regard to the items will be verified during the scrutiny of 1944-45 accou and a report submitted to Government.

Paras 3(a) of G.O. dated 22-6-45 and 28-9-44.

Rental of service lines and of machinery is not the legitimate business of an electric licensee under the provisions of the Indian Electricity Act. Unless these are specifically authorised by Government, the transactions relating to these items should be omitted from the statutor accounts to be rendered to Government. The question raised by the licensee does not therefore arise.

Paras 2 (a) and 3 (b) of G.O. dated 28-9-44.

The adjustment of the sum of Rs.220-13-3, will be verified during the scrutiny of 1944-45 accounts. As regar the reduction of percentage of supervision charges on servi connections from 15% to 12½% from January 19 4, the license may be advised to incorporate the same in his o ficial booklet of rates and conditions of supply.

Para 2 (b) of G.O.dated 28-9-44.

It is not desirable that all meters purchased should straightaway be charged to "Capital". Unused meters are sh

in the stock account and exhibited separately on the assets side of the General Balance Sheet. The item "To meters and fees for certifying under the Act" in No. III - Capital Account, I think, is intended to exhibit meters used for service connections and installed in the consumers' premises or brought back for testing. The procedure mentioned in para 2 (b) of G.O.No.2693 P.W.D. dated 28-9-44 is followed by good many electric licensees without any difficulty. The licensee in his letter under reference has not given sufficient reasons as to why the same could not be followed.

(2). 5 Para 4 of G.O.No.2693 Ms. dated 28-9-44.

I consider that the purchasing of plant, motors etc. for consumers, whether undertaken with the object of making a profit on re-sale or merely in pursuance of the Company's policy to encourage the use of electricity, is not the legitimate business of an electric licensee, under the provisions of the Indian Electricity Act, unless it is specifically authorised by Government. The transactions pertaining to these items should not therefore find place in the statutory accounts rendered to Government under the Indian Electricity Act. The licensee may be informed accordingly.

Para 6 of G.O. dated 28-9-44.

No remarks.

18.8.45

Chief Electrical Inspector
to Government.

With reference to 'x' on p/anne and y on p'sante, please see the remarks of the G.E.I.G at 'A' on p7antie. The view of taken by the G.E.I.G has not been accepted by Messrs. Getarius Steel & Co. Ltd., in connection with the accounts for 1943 of the Tuneerlig-Tuticorin Electric Supply Co. Ltd for which also they are managing agents - Plea see portions marked 'A' on p3 1c f and 'B' on pp33 of of Yo NO 1792 P.W d 2-745 and also p 1c f in the linked file below. Pending a reply from H G.E.I.G in the linked file, This may lie over hl 25-1005 the other points raised may be dealt with & reply given to the lice

P.h
9-8-45 29/8/45

Please see address at

Public Works Department.

Memo No. 3926-I/45-2 dated 8/9/45

Electricity - Mangalore Electric licence - Accounts for 1942-3 and 1943-4 - Further remarks.
Read: G.O.No.2693 P.W. dated 28-9-44
" No.1699 P.W. dated 22-6-45.
from M/S Octavius Steel & Co. Ltd., Ref: No.A/C dated 25-7-45
~~Ref: No.A/C dated 25-7-45.~~
From the C.E.I.C. No.5401-D/44-8 dated 13-8-45.

RECORDED

2. Paras 2(a) and 3(b) of G.O.No.2693 P.W. dated 28-9-44: With regard to the reduction of the percentage of supervision charges on service connections from 15% to 12½ from January 1944, the licensee is requested to incorporate it in his official booklet of rates and conditions of supply. The necessary draft amendments to the booklet may be sent to the Government in due course for approval.

3. Para 2 (b) of G.O.No.2693 P.W. dated 28-9-44.: It is not desirable that all meters purchased should straightaway be charged to "Capital". Unused meters are to be shown in the stock account and exhibited separately on the assets side of the general balance sheet. The item "To meters and fees for certifying under the Act" in No.III - Capital Account is intended to exhibit meters used for service connections and installed in the consumers premises or brought back for testing. The procedure mentioned in para 2(b) of G.O.No.2693 P.W.D. dated 28-9-44 is followed by ~~good~~ many ~~of~~ electric licensees without any difficulty. The licensee in his letter under reference has not given sufficient reasons as to why the same could not be followed.

p.t.o.

4. Para 4 of G.O.No.2693 P.W. dated 28-9-44. :- The purchasing of plant, motors, etc. for consumers, whether undertaken with the object of making a profit on resale or merely in pursuance of the company's policy to encourage the use of electricity, is not the legitimate business of an electric licensee, under the provisions of the I.E.Act unless it is specifically authorized by the Government. The transactions pertaining to these items should not therefore find a place in the Statutory accounts rendered to the Government under the Indian Electricity Act.

5. Para 3 (a) of G.O.No.2693 P.W. dated 28-9-44 and of G.O.No.1699 P.W. dated 22-6-45:-

A separate communication will follow.

6.9.45

7/9/45

[Please see C.E.I.G.'s remarks below regarding this para

(Ch.No.43

To

Messrs. Lovelock and Lewes,
Chartered Accountants,
4, Lyons Range, Calcutta.

Messrs. Octavius Steel & Co. Ltd. P.B.No.855, Calcutta.

The C.E.I.G.
(Para 2 - To note in R.D. - 1-11-45.)

Memo No 3926 I/45-3 d 24-9-45

Electricity - Mangalore Electric Licensee Accounts for 1942-3 and 1943-4 - Further remarks

(B) Read also:- yr No 2693 P.W d 28-9-44.

(C) yr No 1699 P.W d 22-6-45.

~~Memo No 3926 I/45-2 P.W d 8-9-45~~

pp1-5 cy Ref. From Messrs. Octavius Steel & Co. Ltd. d 25-7-45.

pp7-8 cy G.E.I.G No 5401 D/44-8 d 13-8-45

pp11-12 cy ~~Memo No 3926 I/45-2 P.W d 8-9-45~~

~~Recorded~~.

para 5 of Govt. memo No 3926 I/45-2 P.W. 8-9-45.

2. Rental of service lines and of machinery is not the legitimate business of an electric licensee under the provisions of the Indian Electricity Act. Unless these are specifically authorised by Govt, the transactions relating to these items should be omitted from the statutory accounts to be rendered to Govt. ~~The question raised by the licensee does not therefore arise.~~ The attention of the licensee is also invited to Govt Memo No 4369 I/45-2 P.W. dtd 24-9-45 relating to the accounts of the Financially-Tuticorin Electric Licence for 1943-4.

Ans p 7 c

H. 39-40 Dkt 21-9 supra.

To Messrs. Lovelock and Lyons Chartered Accountants 4 H. Lyons Range, Calcutta
Messrs. Getarius Steel & Co. Ltd P. B No 55, Calcutta.
The C.E.I.G.A.

To keep copy of memo. re

Ltr 1.1.9/45

22-9-45

~~The draft above is submitted with reference to para 5 of P/2 ref.~~

Government of Madras.
Public Works Department.
Memorandum No.4369-I/45-2 dated 24th September 1945.

Sub:- Electricity- Tinnevelly- Tuticorin Electric Licence- Accounts for 1943-44 - Further remarks.

Ref:- G.O.No.1792 P.W. dated 2-7-45.
Memorandum No.3643-I/45-2 dated 3-8-45.
From M/S. Octavius Steel & Co, Ltd., Dated 13-8-45.
From the Chief Electrical Inspector to Government No.6600-D/44-12 dated 13-9-45.

Recorded;

2. Para 3 of G.O.No.1792 P.W. dated 2-7-45. The Articles and Memorandum of Association of any company registered under the Indian Companies Act generally embrace many activities apart from the business of supply and distribution of electric energy. A company may be engaged in several trading activities but according to schedule clause III of the Indian Electricity Act, the accounts of the capital employed for the undertaking should be kept separate and distinct from the accounts of other business activities, pursued by the company. All transactions which are extraneous to the business of supplying energy should therefore be excluded from the statutory statement of accounts rendered to Government under the provisions of the Indian Electricity Act, even though under the Articles and Memorandum of Association a company may engage itself in other business activities.

3. The word 'meter' mentioned in para 2 of Government Memorandum No.3643-I/45-2 P.W. dated 3rd August 1945 is a typographical error for motor. The rental of service lines and of motors and of auxiliary gear, is one of the business activities provided

P.T.O.

for in the company's Memorandum of Association. But this cannot be construed as the legitimate business of the electric licensee under the provision of the Indian Electricity Act unless the terms of the hiring are specifically approved by Government and incorporated in the licensee's official booklet of conditions, etc., of supply.

4. The statement of accounts prepared under the Indian Companies Act is meant for the shareholders of the company wherein the licensee may exhibit such items as those now under reference.

K. Ramunni Menon,
Secretary to Government.

To Messrs. Octavius Steel & Co, Ltd., P.B. No.55, Calcutta.
" Messrs. Lovelock & Lewes, Chartered Accountants, 4, Lyons Calcutta.
" the Chief Electrical Inspector to Government.

Forwarded / By Order.

sk.25-9

Superintendent.

P.W.D 41

Memo No. 46685/45-P7/14 — 9-45

Electy - Mangalore electric licence - Accounts for 1943-4 - ~~Recorded wit~~ ~~remarks~~. G.O. No. 1699 P.W. dt 22-6-45 from C.E.I. G's U.O. No. 5401/D44-7 dt 11-6-45.

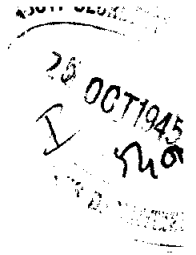
The attention of the C.E.I.G. is invited to his U.O. No. 5401/D/44-7 dt 11-6-45 cited above, and he is requested to state when a further report may be expected.

SR 13/9/45.

Electric: y Department.

From

Sri K.V.Varanthu, M.A.,
Chief Electrical Engineer to Governme
Post Box 417, Chennai, Madras.



To

The Secretary to Governme
Public Works Department,
M a d r a s.

No.5401/D/44-10 dated 20th October 1945

Sir,

Sub: Mangalore Electric Licence - Accounts for 1943-44 - Further remarks.
Ref: Govt. Memo. No.4668-I/45-1 dated 14-9-45.

With reference to the above I enclose a copy of this office letter No.5401-D/44-6 dated 5th ~~July~~ June 1945 and the Licensee'

reply thereto.

2. The reply of the Licensee may be accepted.

Chief Electrical Inspector
to Government.

CNL/DSR.22-10-45.
Encl:--
1 copy of letter dated 1-10-45 and

Copy of No.,5401/D/44-6 dated 5-6-45 from the Chief Electrical Inspector to Government, Madras to the Mangalore Electric Supply Co., Ltd., Managing Agents: M/S. Octavius Steel & Co., Ltd., Calcutta.

Sub: Mangalore Electric Licence - Accounts for 1943-44.
Ref: Your No. MAN/A/c dated 11-5-45.

With regard to your statement in respect of the supervision charges on service connections, I would refer you to the penultimate para of your letter No.TIN/A/c dated 12-6-44 on the Tinnevelly-Tuticorin Electric Licensee's accounts for 1943-44 and request to be informed whether 12½% was not the percentage adopted for all the three undertakings under your management in regard to the levy of supervision charges on service connections. As per the exhibition of the figures in No.IV Revenue statement of accounts, the actual percentage of supervision charges in the case of Mangalore electrical Undertaking for 1943-44 works out 14.74%. I request to be informed what the percentage actually levied was in this case.

It may also be stated whether the sum of Rs.426-13-2 exhibited under "H - Special charges - Service connections on the Dr. side of No.IV - Revenue Account" represents the expenditure actually incurred towards the consumers' portion of the service connections or includes any other amount. If so, the nature of the additional amount may please be specified.

An early reply is requested.

Copy of No.MAN.A/c. dated 1-10-45 from the Mangalore Electric Supply Co., Ltd., Managing Agents: Managing Agents: Octavius Steel & Co., Ltd., Calcutta.

Accounts 1943-44.

We acknowledge receipt of your post card dated the 21st ultimo referring to your letter No.5401/D/44-6 of 5-6-45 which we regret was not replied to earlier.

P.T.O

Supervision charges on service connections were reduced voluntarily to 12½% for all three Companies as stated in our letter Tin.A/c. of the 12th July 1945. The rate for the period under review was approximately 15% but we would again point out that the reduction to 12½% was not put into operation until after January 1944.

Regarding the sum of Rs.426-13-2 this represents actual expenditure on the consumers portion of service connections and is made up as follows:--

Stores	Rs. 323	11	2
Wages	103	2	0
	426	13	2

(True copy)

24/1/11.

N. Venkatarama 24/1/46

Chief Accountant.

DSR. 22-10-45.

P.W.D.

Memo No 40081/45-2 d 31-10-45.

Elecy- Mangalore Electric ... Accounts for 1943-44 - Finally remarks.

Read also. Yo No 1699 P.W d 22-6-45.

From Messrs. Octavius Steel & Co Ltd (To A.E.I.C.

THE MANGALORE ELECTRIC SU

MANAGING AGENTS:
TAVIUS STEEL & CO. LTD.
CALCUTTA.

TELEGRAPHIC ADDRESS:
"LAPIZANDO, CALCUTTA"
TELEPHONE NO. 146 (3 Lines)

POST BOX NO. 55.

1398 T

SECRETARY TO GOVERNMENT
30 SEP 1945
4949
PUBLIC WORKS DEPARTMENT

Ref. No. RAN/653/68 Calcutta, 24th September, 1945.

The Secretary to the Government of Madras,
Public Works Department,
Madras.

Dear Sir,

Accounts for the years 1942/43 and 1943/44.

We acknowledge receipt of your Memo No. 3926/1/45-2 dated 8th September 1945.

2. Paras 2(a) and 3(b) of G.O. No. 2693 P.W. dated 28th September 1944. In this G.O. it is stated that it is the intention of G.O. No. 2732-W of 13.12.34 that "Collections from the consumers should not exceed by more than 15% the actual expenditure". In order to implement these intentions we are working out our calculations of the amounts due from consumers at 12½% on the actual expenditure and thus providing a margin to ensure that we do not exceed the stipulated 15%. No alteration is necessary to our booklet of rate as we shall retain the right to charge up to 15% although, as state above, we are in actual fact only recovering 12½%.

3. Para 2(b) of G.O. No. 2693 P.W. dated 28.9.44. We respectfully maintain that our method of treating in our accounts the stocks of meters held by us in no way violates any of the provisions of the Indian Electricity Act nor the principles of correct accounting and we propose to continue to record the transactions in the manner already adopted by us.

4. Para 4 of G.O. No. 2693 P.W. dated 28.9.44 We would ask you to quote the section of the Indian Electricity Act which makes it "ultra vires" of an electric licensee's legitimate business to encourage people to use electricity by any reasonable means whatsoe

Furthermore you must realise that if we leave out of the Statutory Accounts a sum of Rs 1143/1/6 from the Net Revenue Account then in order to balance the accounts the following further adjustments would have to be made:-

No. IV "Revenue Account". P.13-15 (Q) G 0.2693

"Balance carried to net revenue" Reduced by above amou 28.9.44

In. No. V "Net Revenue Account" P. 17 (Q)

"Cr item No. 2 " -do-
"Dr item No. 9 " -do-

In. No. VIII "General Balance Sheet" P. 19 (Q)

"Dr item No. 4" -do-
"Cr item No. 8 - BY CASH AT BANKERS" -do-

Will you please advise us as to how we are to persuade the tors to sign these accounts when they do not disclose the position of the Company - not even the correct Bank balance the end of the year.

6/84.

Yours faithfully,
OCTAVIUS STEEL & CO LTD.

DIRECTOR
MANAGING AGENTS.

P.W.D.

Endt NO 4949 I/45-1 dt 6-10-45

Referred to the C.E.I.G for remarks.

RSW
4-10-45

S/C

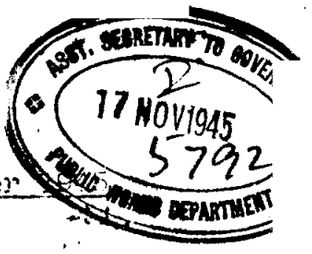
N
5-10-45

To the C.E.
(with copy of
1-3 ante

..lectricity Department.

From
Sri K.V.Karanth, M.A.,
Chief Electrical Inspector to Government,
Post Box 417, Chepauk, Madras.

To
The Secretary to Government,
Public Works Department,
Fort St. George, Madras.



No.5401/D/44-11 dated 12th November

Sir,

Sub: Mangalore Electric Licence - Accounts for 1942-43 and 1943-44 - Further remarks.

Ref: Govt. Endt. No.4949-I/45-1 dated 6-10-45.

The following remarks are submitted on the above:--

Paras 3(b) of G.O. No.2693 P.W.D. dated 26th September 1944 - Supervision charges on service connections.

The reduction of the supervision charges on service connections from 15% to 12½% is in the nature of deviation of the percentage in part III of the Licensee's official booklet of rates and conditions of supply; it is not desirable that it should vary from person to person; the prospective consumer should know what percentage he is going to be charged. For these reasons it is desirable that the Licensee should incorporate the same in his booklet. The Licensee may be informed accordingly.

Para 2(b) of G.O. No.2693 P.W.D. dated 28-9-44.

2/ No reasons have been furnished by the Licensee why the procedure mentioned in para 3 of Government Memo. No.3926-I/45-2 dated 8-9-45 in regard to the exhibition and accounting of meters, which is adopted by other electric Licensees could not be followed by him in future. The great advantage of not applying the principle of accounting which he has adopted for meters to other store materials like copper wooden poles must be fully obvious to the Licensee. The Licensee may be told that for the reason explained in the G.O. and in the interest of uniformity the procedure suggested therein is commended for adoption.

Para 4 of G.O. No.2693 P.W. dated 28-9-44.

3/ Licence has been granted to Messrs. The Mangalore Electric Supply Co., under the Indian Electricity Act 1910 to supply electrical energy in the area with the powers and upon the terms and conditions specified therein. A company may be engaged in several trading activities, other than that of supply of electrical energy and these are usually authorised by the Articles and Memorandum of Association. But under the terms and conditions imposed by the electric licence, all activities, other than that of supply of energy are extraneous and therefore such transactions both (receipts and expenditure) should be excluded from the statutory statement

of accounts rendered to Government under the provisions of the Indian Electricity Act. Schedule clause III of the Indian Electricity Act requires that the accounts of the capital employed should be kept separate and distinct from the accounts of other business activities pursued by the Company. The Licensee may be advised accordingly.

---Memorandum 16-1

Chief Electrical Inspector to Government.

CNL/DSR. 11-45. 16/11/45

30/24-41.

To

The C. E. (E.) J'pur

(with copy of pp. 5-6 ante and orgls. of (i) pp. 1-4 ante, ii) G.O. 2693 P.W. 828-9-44, iii) pp. 27-32, and -6 of G.O. 1659 P.W. 822-6-45 to be returned with reply.) (Q) (No note) (U) C/ 22.1

Note The matter has been dragging on from September 1944. The C. E. J. Gipur has offered h pp. 5-6 ante remarks now for the third time. His remar on the same subject offered on 2 previous occasions were incorporated in Govt. proceedin issued to the licensee. The latest-

(Q) 2 of 23-26 and 1-32 of 35-36 (U)

ELECTRICITY DEPARTMENT

1390 F

From

The Chief Engineer for Electricity, Chepauk, Madras.

To

The Secretary to Government, Public Works Department, M A D R A S.

No.8879G/45-1, dated 16-3-46.

Sir,

Subject:- Electricity - Mangalore Electric License - Accounts for 1942-43 and 43-44.

Reference:- Government Endorsement.No.4949I/45-2, dated 23-11-45

Since the recommendations of the Chief Electrical Inspector to Government in his letter No.5401/D/44-11, dated 12-11-45 on the points under reference have been made based on the actual experience of the scrutiny of the accounts of the several licensees, I endorse them in the interests of uniformity of procedure. However, too meticulous a scrutiny of accounting principles and insistance on compliance with instructions not backed by statutory authority do not appear essential, so long as consumers interests are not affected and capital cost of the undertaking is not inflated.

2. Regarding supervision charges on service connections, the Mangalore licensees may be advised to stick to one rate i.e. either 12½% or 15% and that, if as reported by them, the rate actually adopted by them is only 12½%, there should be no difficulty in specifying this rate in their booklet of conditions and rates and that if at any future time they want to enhance this to 15%, they can always do so after informing government of their intention.

3. The papers received with the government endorsement are returned herewith.

Encl: 1 closed file
and other papers.
V.A.G.19/3.

CHIEF ENGINEER (ELECTRICITY),
(ELECTRICAL OPERATION AND DEVELOPMENT)

P.W.

1 f Memo No. 4949 I/45-3 d 6-4-46

Electricity – Mangalore Electric Licence – Accounts for 1942-43 and 1943-44 – Further remarks.

Read (1) G.O. No 2693 P.W.D. dated 28-9-44
(2) " ff. 21-23 1699 " 22-6-45
(3) ff. 25-26 Memo " 3926 I/45-2 " 8-9-45

1-2 ff ... Steel Co Ltd., No MAN a/c 53/68 8/24-
ff 5-6 of the C.E. & G. No 5401/D/44-11 dated 12-11-45
7-8 f (E) " 8879 G/45 46

Recorded.

Cross 2(a) and 3(b) of G.O. No 269:

The licensee is advised to stick to o
rate – i.e either 12½ % or 15 %. If the ra
actually adopted by him now is only
12½ %, he is requested to incorporate i
his official booklet of rates and condit
of supply and to send necessary draft
amendments to the booklet to Govt. in

future

Furnie the licensee wishes to increase the rate to 15%. it shall always be open to him to do so after informing the Govt of his intention. } para 2 pg 7 of

3 Para 2 (b) of G.O. No 2693 P.W. d/28-9-44 pp 23-24 of (Q)

The procedure suggested is followed by several electric licensees and is therefore commended for adoption by the licensee in the interests of uniformity of procedure; if he sees no objection. ~~The Govt do not require, wish to insist on~~ follows suggestion in para 3 of no to D.F.

~~the procedure being followed if the licensee considers that the procedure now being followed by him is more convenient.~~

4 Para 4 of G.O. No 2693 P.W. d/28-9-44 pp 25-26 of (Q)

~~The~~ objection will not be ~~pursued~~. follows para 4 of no to D.F.

N
5-4-46

Yr. 46

D. 1-46.

To Messrs. Octavius Steel & Co. Ltd. P.B. No 55 Calcutta

To the C.E. & Q. (E.C.E.)

Para 2 - To note in R.D. 1-6

Noted.

PBN

Electricity - Mangalore Electric Licensee - Accounts for 1942-43 and 1943-44 - Further action on certain outstanding points.

From Messrs Octavius Steel and Co. Ltd MAIN 46/53/68
To the CE.I.G. No 4949 J/45-1 dated 6-10-45
From the C.E.I.G. No 54042/44-11 dated 12-11-44

The matter has been dragging on for September 1944. The C.E.I.G. has offered remarks now for the third time. His remarks on the same subject offered on 2 previous occasions were incorporated in Govt. proc issued to the licensee. The licensee contin to contest the position. It seems therefore the C.E (E) may be consulted. The draft submitted above for approval.

T.V.N.
22.11.45

S.J.
23-11-45

V.N.K
23.11.45

Issued as Govt. No 4949 J/45-2 dated 23-11-45
From the C.E (E) No 8879 G/45-1 dated 16.3.45

Submitted.

1/ Para 2 of Licensee's letter - Supervision charges Service connections - The Licensees may be informed as in para 2 of the C.E's letter.

3 Para 3 of Licensee's letter - Exhibition and accu ring of meters - For the reasons mentioned ara 1 of his letter, the CE considers that it ot perhaps essential to give any definite irection to the licensee in the matter. The icensee may be told that the accoun rocedure suggested was in the interests of niformity and that it is therefore commended f doption, ~~but that Govt would not however insist on being adopted by the licensee if he finds it inconvenie~~

4 Para 4 of Licensees letter - Net Reven

ccount – separate accounting of

Schedule clause III of the I. E. Act referred
by the C. E. I. G. provides as follows:-

"The licensee shall, unless the Provincial
Govt otherwise direct, at all times keep the
accounts of the capital employed for the
purposes of the undertaking distinct from
the accounts kept by him of any other
undertaking or business."

would appear from Meare's commentary on
clause that the provision applies to a licensee
ing any other business not necessarily electrica
l and to "combined undertakings" for
al supply and electric ~~traction~~ traction
s are governed by two separate Acts. It
o not seem that the term "business
ntioned above can be so stretched as to
lude in its scope a dealing of the
ture now questioned by the C. E. I. G.
view of this and the CE's remarks in
para. 1 of his letter the licencee may be
formed that the objection will not be
sued

5/ A draft memo is submitted for
pproval. After issue the papers may be filed
th G. O. No. 1699 P.W. dated 22-6-45.

THE MANGALORE ELECTRIC SUPPLY CO., LTD.

Managing Agents:
OCTAVIUS STEEL & CO., LTD.

GRAMS: "LAPIZANDO, CALCUTTA."
Phone No. Calcutta 146 (3 Lines)

POST BOX NO. 55.
14, OLD COURT HOUSE STREET,

Calcutta, 24th April, 194 (

Ref. No. Man. Dfc.

The Secretary to the Government of Madras,
Public Works Department,
Madras.

Dear Sir,

Accounts for 1942-43.

We acknowledge receipt of your Memo No. 4949 - 1/45-3 dated 6th April 1946.

2. Paras 2 (a) and 3 (b) of G.O. No. 2693 P.W. dated 28.9.44.
Your advice is noted. We do not propose to make any alteration to our booklet of rates and our official charge will remain at a maximum of 15%.

3. Para 2 (b) of G.O. No. 2693 P.W. dated 28.9.44.

4. Para 4 of G.O. No. 2693 P.W. dated 28.9.44.

) Noted.

Yours faithfully,
OCTAVIUS STEEL & CO.LTD.

DIRECTOR.
MANAGING AGENTS.

P.W.D.

28/9/46

Endt No 2060 I/46-1 dt 5-11-46

Referred to the C.E.I.G for remarks through the C.E(E)
o/c.

BH.
6 Sub
7/11/46

N
C.E.M.

Despatched
11-11-46

To the C.E.I.G
(with copy of plan)
RD 10/11/46

Note

Please see para 2 on plan ante. The licensee appears to ~~have~~ maintained the position held by him previously - Vide ~~para 3~~ on p47 of Govt no 1699 Pwd 22-6-45. The licensee says that he does not propose to make ~~any~~ any alteration to his booklet of rates and that his official charge will remain at a maximum of 15% implying perhaps that it is open to him to charge below 15%. The remarks of the C.E.I.G and the C.E(E) may, ~~kindly~~, be invited. The draft endt above is for approval

PSh
6 Sub 7/11/46

Electricity Departmen

From

Sri K.V.Karantha, B.A.,
Chief Electrical Inspector to Government,
Post Box No.417. Madras.5

To

The Secretary to Government,
Public Works Department, Madras.

Thro'

The Chief Engineer(Electricity)
Chepauk, Madras.

No. 5401 D/44-12 dated 27-5-46.

Sir,

Sub: Accounts - Mangalore Electric Licence-Acc
for 1944-45 - G.O.No.2093, P.W. dated 28-
Action taken on - Remarks submitted.

Ref: Govt. Endorsement No.2060-I/40-1 dated 8-

The Licensee's replies to Government Memor
No.4949-I/40-3 dated 6-4-46 call for no remarks.

Chief Electrical Inspector
to Government.

kvr/cs.o.

Endorsement No 8879 A/45 - 2 dat
Forwarded to the Superintending E
Public Works Department.

Memo No acts I/40-2 d 22-6-46.

Electricity - Mangalore Electric &
Accounts for 1942-3 - Further Yearly Records.

Recd. vide Memo No. C 093 Pur dt 20-6-46.

Fy. No 1090 Pur 22-6-46

Ref. From Messrs. Octavius Steel & Co. Ltd No MAM/A/Co
B. E. I. G No 5401 D/44-12 d 27-5-4
B. E (E) ... 88796/45-2 d 15-6

Messrs. Octavius
& Co. Ltd
55, Calcutta
re B.E.I.G
B.E(E)

Recorded

RBK
20.6.46

Note. ....., may be obtained in Dr to me
RBK